

Personal Auto Insurance
Virginia Filing Checklist

REVIEW REQUIREMENTS	REFERENCE	COMMENTS
FORMS		
Applications		
No Applications are to be Filed	<u>§ 38.2-317</u> <u>§ 38.2-305</u> <u>§ 38.2-1901</u> <u>§ 38.2-1906</u>	FORMS: An application for insurance is not a 'policy form' or 'endorsement' under the provisions of Virginia law. In order to satisfy Virginia's form filing requirements, all coverages, terms, exclusions, and conditions of the policy must be contained in the policy forms and/or endorsements. It is the insurer's responsibility to make sure that any provisions in an application have also been approved in the policy forms or endorsements. RULES/RATES: It is the insurer's responsibility to make sure that any rates and supplementary rate information included in an application have also been filed in the insurer's manual of rules and rates.
Fraud Statement Required	<u>§ 52-40 B</u>	Fraud language must be included in every application. If the company's fraud notice uses wording other than the statutory wording, the Fraud Bureau of the Virginia State Police must approve the revised language. The statutory language is as follows, "It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits."
Warranties in Applications Prohibited	<u>§ 38.2-309</u>	Statements in applications are representations, not warranties, and may not be used to bar recovery unless the statement was material to the risk and proven untrue.
Arbitration		
Binding Arbitration and/or Appraisal Provisions Prohibited	<u>§ 38.2-312</u> <u>Administrative Letter 1998-12</u>	Arbitration and/or appraisal provisions are allowed, but the result of the arbitration or appraisal cannot be stated as binding in the policy.
Bankruptcy Provision		
Required	<u>§ 38.2-2200</u>	The standard automobile forms include the required provision that addresses bankruptcy or insolvency of the insured or the insured's estate, as well as when an action may be maintained against an insurer (unsatisfied judgment clause).
Cancellation & Nonrenewal		
Advance Written Notice Required	<u>§ 38.2-2212</u>	The standard auto forms include a provision stating that 15 days advance written notice is required if cancellation or non-renewal is for non-payment of premium and 45 days notice is required for all other reasons.
Calculation of Return Premiums	<u>§ 38.2-305</u>	The standard auto forms include the method of calculation of return premiums. Retention of a minimum premium is not allowed.
Filing Standards		
Line of Authority	<u>§ 38.2-124</u>	The coverage provided must be included in the definition of motor vehicle insurance; and the company must be licensed to write this line of insurance.
Contents of Policies	<u>§ 38.2-305</u>	All provisions and conditions pertaining to the insurance must be stated in the policy.
Fees	<u>§ 38.2-310</u>	The insured must be provided any and all fees, charges, premiums or other consideration charged for the insurance or for the procurement of insurance in the policy documents, with exception to service charges for installment payments, which may be provided in writing separately.
Type Size	<u>§ 38.2-311</u>	All policy forms and endorsements must be printed in 8 point or larger type.

REVIEW REQUIREMENTS FORMS	REFERENCE	COMMENTS
Filing Standards		
30-day Prior Approval Applies to Company Developed Auto Forms and Endorsements (e.g., coverage enhancements)	§ 38.2-317 Administrative Letter 1990-3	Insurers must file independent forms at least 30 days prior to the proposed effective date. The cover letter must request implementation based on “policies effective” on and after a specified date, which is at least 30 days after the filing is received by the Bureau. The Bureau must notify the insurer of its approval or disapproval within 30 days of receipt of the filing. The Bureau may extend this 30-day review period for an additional 30 days by sending written notice to the insurer.
Virginia Standard Auto Forms Not Required to be Filed	§ 38.2-317 §38.2-2218 § 38.2-2220 Filing Guidelines Handbook	Virginia standard auto forms are promulgated by the Bureau for use by all insurers. There are three standard forms available for use – the Family Automobile Policy, the Special Package Automobile Policy or the Personal Auto Policy. Refer to the Virginia Filing Guidelines Handbook for a list of the Virginia standard personal auto forms or endorsements. Insurers do not need to file these forms with the Bureau – insurers are required to use these forms in their precise language.
Clear and Unambiguous Language	§ 38.2-317	Policy forms or endorsements shall not contain misleading, inconsistent, ambiguous, unclear, or deceptively worded provisions, exceptions, or titles. Endorsements that amend Virginia standard auto forms should track the structure and language of the forms being amended.
Countersignature	§ 38.2-323	No insurance policy shall contain any provision that deems a policy to be invalid due to the absence of the signature or countersignature of an agent or company representative.
Permissive Users Covered	§ 38.2-2204	Coverage must be afforded for all permissive users of motor vehicles, aircraft or watercraft. Named operator exclusions, intra-family suit exclusions or other similar exclusions are not permitted.
Rating Information Statements	§ 38.2-2214	Insurers must file a rating information statement that defines the rate classification and briefly identifies available discounts and surcharges.
Variations of Standard Forms Subject to Prior Approval; Restrictions of Coverage Prohibited	§ 38.2-2223	Insurer’s independent forms or endorsements must broaden the coverage provided by the Virginia standard auto forms or provide additional coverage not contained in the standard forms. Clarification and restrictions of coverage are not allowed. Any form that contains policy terms or conditions must be submitted for approval.
Rental Reimbursement	§ 38.2-2230	An option of purchasing rental reimbursement coverage must be included. If coverage is provided by separate endorsement, the appropriate rules and rating information must be included.
Liberalization Clause		
Required	§ 38.2-2220	This provision is included in the Virginia standard auto forms.
Loss Settlement		
Refer to Virginia Standard Personal Auto Forms	§ 38.2-2220	The Virginia standard auto forms include loss settlement provisions. Provisions more favorable to the insured may be submitted for approval.
RATING		
Pricing		
Rates are File and Use; Certification Required	§ 38.2-1904 § 38.2-1906 Administrative Letter 1987-11	Rates must be filed on or before the proposed effective date and shall not be excessive, inadequate, or unfairly discriminatory. A completed and signed Actuarial Certification form COF-1 (see Administrative Letter 1987-11) must be provided.
Specific Rate Required	§ 38.2-1906 Administrative Letter 1985-11	Ranges of rates are not permitted. “Refer to Company” rules must indicate that resulting rates will be filed with the Bureau prior to use.
Rules for Forms	§ 38.2-1906	A rating rule must be filed for every premium-bearing endorsement that the company uses.
Installment Payment Plans	§ 38.2-310 Administrative Letter 1993-6	Insurers must file all available payment plans including down payment options, installment options and any applicable service fees.
Surcharges for Accidents and/or Convictions	§ 38.2-1904 D § 38.2-1905 Administrative Letter 1982-13	Surcharges for accidents and/or convictions may not be applied for more than 36 months.
Minimum Financial Responsibility Limits	§ 46.2-472	The minimum financial responsibility limits are \$25,000 per person \$50,000 per occurrence for bodily injury liability and \$20,000 for property damage liability. Rates should be provided for at least the minimum limits of liability.

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At-Fault Accidents	<u>§ 38.2-1905 A</u>	Premium shall not be increased or points charged unless the accident was caused wholly or partially by an insured operator. A surcharge shall not be applied if the operator causing the accident is insured under a separate policy.
Assignment of Points	<u>§ 38.2-1905 C</u> <u>Administrative Letter 1990-9</u> <u>Administrative Letter 1998-14</u>	Points for accidents and/or convictions must be assigned to the vehicle customarily driven by the operator responsible for incurring the points.
Surcharge Exemption for Accidents Incurred by Law-Enforcement Officers	<u>§ 38.2-1905 D</u>	Insurers may not increase the premium for an accident incurred by a law-enforcement officer while the insured was driving a motor vehicle provided by the employing law-enforcement agency and was engaged in a law-enforcement activity at the time of the accident.
Discounts for Accident and Claim-Free Experience	<u>§ 38.2-1905 A</u>	Accident and claim-free discount must apply even if the insured is involved in a not-at-fault accident or incurs a comprehensive or medical expense/loss of income loss.
Territories	<u>§ 38.2-1906</u>	Territory assignment pages must be included. If zip codes are used as territories, a rule must be included for determining how new zip codes – not contemplated by the filed zip codes – will be accommodated.
Symbols	<u>§ 38.2-1906</u>	Symbols are supplementary rating information and must be filed. Insurers may authorize an RSO to file this information on their behalf or they must independently file symbols along with a rule to accommodate new models and any performance designations.
Medical Expense and Loss of Income Benefits Coverages	<u>§ 38.2-2201</u>	Due to the mandatory offer requirements, appropriate rates must be filed for medical expense coverage up to \$2000 and loss of income benefits coverage up to \$100 per week.
Insurance Credit Scoring	<u>§ 38.2-2234</u> <u>Administrative Letter 2002-6</u>	Insurance credit scoring models that are used for purposes OTHER THAN risk selection must be filed. Insurers are not permitted to use certain factors either in the development of an insurance credit score. Insurers are required to re-evaluate insurance credit scores and the requirements are outlined in § 38.2-2234. Insurers are obligated to provide disclosures. There are numerous other requirements.
Uninsured Motorist Coverage – Rates	<u>§ 38.2-1906</u> <u>Administrative Order 10994</u>	Effective July 1, 2002, uninsured motorist rates are subject to file and use rate regulation. Insurers are permitted to continue to use the rates as set forth in Administrative Order 10994 until such time as the insurer makes a new filing. In addition, insurers that received approval of independent uninsured motorist rates are permitted to continue to use those rates.
Military Suspension Rule Required	<u>§ 38.2-2205.1</u>	Personal auto manuals must include a rule allowing suspension of motor vehicle coverage if the insured is ordered to military duty outside the Commonwealth of Virginia for a period of more than 30 days.
Motor Vehicle Accident Prevention Course Discount	<u>§ 38.2-2217 A</u>	Insurers must allow an appropriate discount for insureds 55 years of age or older that have completed a motor vehicle accident course approved by the Department of Motor Vehicles.
Unverifiable Motor Vehicle Record	<u>§ 38.2-1904</u>	Insurers may not surcharge for an unverifiable motor vehicle record.
Premium Waiver Rules	<u>Administrative Letter 1983-12</u>	Small additional and return premiums may be waived; however, the named insured must be notified that a return premium is available and the return premium must be paid upon request. The insurer must file a rule stating the amount of the premium to be waived.
Rate Service Organization Reference Filings	<u>Administrative Letter 1990-5</u>	Form VA RFA-1 may be used for miscellaneous rates referenced in rate service organization (RSO) reference loss cost filings. The applicable RSO reference filing number must be cited. Not applicable to base rates.
Competitive Pricing Form Required	<u>Administrative Letter 2004-04</u>	This rating example form must be completed and submitted with each rate filing, separately by company. Forms are available in Word and Excel format.
Fees	<u>§ 38.2-100</u> <u>§ 38.2-1901</u> <u>§ 38.2-1906</u>	Fees are included in the definitions of 'rate' in § 38.2-100 and 'supplementary rate information' found in § 38.2-1901. Since § 38.2-1906 requires insurers to file rates and supplementary rate information, <u>all</u> fees and service charges must be filed. This includes, but is not limited to, installment fees, late fees, non-sufficient fund check fees, reinstatement fees, policy fees, membership fees, etc. Fees related to the underwriting and pricing of a risk are considered premium and may not be fully earned. This includes fees that are charged to <u>all</u> policyholders, such as policy initiation fees, membership fees and other similar fees, and expense fees relating to underwriting and pricing of a risk, such as an SR-22 fee. Upon cancellation, these fees must be included in the calculation of the refund in accordance with the cancellation provisions in the policy. Failure to pay these fees can be the basis for a non-pay cancellation.

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Capping of Rate Increases	§ 38.2-1906 F	Insurers are permitted to file a rule to limit rate increases for their renewal policies. The filing must specify the period of time during which the rate cap will apply.
Rating Plan Requirements		
Expense Reduction Plans	§ 38.2-1904 E	Insurers are permitted to use expense reduction plans. Expense reduction plans permit agents to reduce their commission, thus lowering the premium to be charged to the insured. Such plans must be filed as part of the insurer's manual of rates and supplementary rate information. Each available reduction level must be specified. The plan should specify if the commission level applies to new or renewal business or both. The plan must represent a reduction in premium for each expense reduction level; increases are not acceptable.
Tiered Rating Plans	§ 38.2-1904 E § 38.2-1906	Insurers must file the specific eligibility criteria that distinguish between the pricing levels when using tiered rating plans. Re-underwriting is required at each renewal to ensure that the risk is placed in the appropriate tier.
General Filing References		
Cover Letter	Administrative Letter 1983-7 Administrative Letter 1990-3	The cover letter must contain the NAIC number and full company name of each company for which the filing is being submitted. The cover letter must request implementation based upon "policies effective" on and after a specific date.
Third Party Filers	Administrative Requirement Filing Guidelines Handbook	If the insurer delegates its filing responsibilities to a third party, the filing must include a signed letter of authorization or a signed filing authorization form. The form is included in the Virginia Filing Guidelines Handbook.
Forms List	Administrative Requirement	A complete list of the forms being used (including form numbers, edition dates, and titles) should be included as part of the manual rules. If the company uses its own form numbers, a cross-reference between the company form numbers and the standard form numbers should be included.
Copies, Return Envelopes	Administrative Requirement	A complete copy of the filing must be provided for each company for which the filing is submitted. An extra copy of the cover letter must be included for acknowledgment, along with a postage-paid return envelope.
Rate and/or Rule Pages Required	Administrative Requirement	The company must provide the rules and/or rates on 8-1/2 x 11" size paper. The rule and/or rate pages should not be labeled as "EXHIBIT" or contain any similar reference. Rate and rule pages should be labeled with the company or group name and the program type or name.
Prepare and submit filings separately by line of insurance, by program	Administrative Requirement	Filings, other than installment payment plans, must be prepared and submitted separately by line of insurance and/or by program and include a complete copy of the filing for each company to which it applies. Group filings must be sorted and collated by company. This also applies to replies to Bureau correspondence and to re-submissions of disapproved filings.

Access to Administrative Letters, Administrative Orders, Regulations and Laws is available at
[Virginia: Bureau of Insurance's Administrative Letters/Orders/Laws Page](#)

The Personal Lines Rates and Forms Section handles personal automobile insurance programs. Please contact this section at (804) 371-9965 if you have questions or need additional information about this line of insurance.

CERTIFICATION OF FILING

I hereby certify that I have reviewed the attached personal auto filing and determined that it is in compliance with the personal auto checklist.

Signed: _____

Name (please print): _____

Company Name: _____

Date: _____ **Phone No.:** _____ **FAX No.:** _____

E-mail Address: _____